



**HOLT COUNTY, MISSOURI  
TWO YEARS ENDED DECEMBER 31, 2002**

**From The Office Of State Auditor  
Claire McCaskill**

**Report No. 2003-122  
December 31, 2003  
[www.auditor.mo.gov](http://www.auditor.mo.gov)**

# AUDIT REPORT



Office Of The  
State Auditor Of Missouri  
Claire McCaskill

December 2003

**IMPORTANT:** The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Holt, which do not have a county auditor. However, to assist such counties in meeting federal audit requirements, the State Auditor will also provide a financial and compliance audit of various county operating funds every two years. This voluntary service to Missouri counties can only be provided when state auditing resources are available and it does not interfere with the State Auditor's constitutional responsibility of auditing state government.

Once every four years, the State Auditor's statutory audit will cover additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.

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This audit of Holt County included additional areas of county operations, as well as the elected county officials. The following concerns were noted as part of the audit:

- The county has not established cash management procedures to ensure monies received from federal Highway Planning and Construction – Offsystem Bridge Replacement (BRO) projects are distributed to contractors on a timely basis. There were 14 reimbursements, totaling over \$625,000, that were held by the county longer than allowed by the Missouri Department of Transportation's Local Program Agency Manual.
- Actions of the salary commission in approving a raise for the County Treasurer in October 2002 were not supported by a written legal opinion.

The audit also suggested improvements to personnel procedures relating to time sheets and leave records, computer controls concerning passwords and backup plans, and fixed asset records and policies. In addition, the audit included a recommendation to the Sheriff concerning reconciliations.

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YELLOW SHEET

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## FINANCIAL SECTION

## State Auditor's Reports



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL  
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS**

To the County Commission  
and  
Officeholders of Holt County, Missouri

We have audited the accompanying Statements of Receipts, Disbursements, and Changes in Cash - Various Funds and Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual - Various Funds of Holt County, Missouri, as of and for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1 to the financial statements, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Holt County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 2002 and 2001, on the basis of accounting discussed in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated October 28, 2003, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Holt County, Missouri, and was not subjected to the auditing procedures applied in the audit of the financial statements referred to above.



Claire McCaskill  
State Auditor

October 28, 2003 (fieldwork completion date)

The following auditors participated in the preparation of this report:

|                     |                       |
|---------------------|-----------------------|
| Director of Audits: | Thomas J. Kremer, CPA |
| Audit Manager:      | Todd M. Schuler, CPA  |
| In-Charge Auditor:  | Lori Bryant           |
| Audit Staff:        | Naima Ramlatchman     |
|                     | Tania Williams        |
|                     | Bryan Meadows         |





**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the County Commission  
and  
Officeholders of Holt County, Missouri

We have audited the financial statements of various funds of Holt County, Missouri, as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated October 28, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the financial statements of various funds of Holt County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which are described in the accompanying Management Advisory Report.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of various funds of Holt County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition

in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted another matter involving the internal control over financial reporting which is described in the accompanying Management Advisory Report.

This report is intended for the information and use of the management of Holt County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo 2000, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" and last name "McCaskill" clearly distinguishable.

Claire McCaskill  
State Auditor

October 28, 2003 (fieldwork completion date)

## Financial Statements

Exhibit A

HOLT COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS  
YEAR ENDED DECEMBER 31, 2002

| Fund                                  | Cash,<br>January 1 | Receipts  | Disbursements | Cash,<br>December 31 |
|---------------------------------------|--------------------|-----------|---------------|----------------------|
| General Revenue                       | \$ 248,967         | 1,077,320 | 1,021,985     | 304,302              |
| Special Road and Bridge               | 146,146            | 1,648,996 | 1,501,916     | 293,226              |
| Assessment                            | 7,815              | 94,022    | 88,107        | 13,730               |
| Law Enforcement Training              | 25,511             | 6,530     | 7,555         | 24,486               |
| Prosecuting Attorney Training         | 3,382              | 1,145     | 981           | 3,546                |
| 9-1-1                                 | 101,062            | 80,455    | 88,654        | 92,863               |
| Recorder's Special                    | 25,259             | 7,721     | 10,064        | 22,916               |
| Sheriff's Civil Fees                  | 5,666              | 6,448     | 5,892         | 6,222                |
| Debt Service                          | 32,110             | 4,709     | 4,736         | 32,083               |
| Clerk's Election Fee                  | 3,143              | 1,215     | 524           | 3,834                |
| Victims of Domestic Violence          | 2,400              | 240       | 2,575         | 65                   |
| Johnson Grass                         | 46,479             | 34,342    | 21,081        | 59,740               |
| Prosecuting Attorney Bad Check        | 331                | 0         | 9             | 322                  |
| Prosecuting Attorney Delinquent Tax   | 2,269              | 0         | 0             | 2,269                |
| Cemetery Trust                        | 27,046             | 885       | 680           | 27,251               |
| Community Development Block Grant     | 0                  | 17,756    | 17,209        | 547                  |
| Environmental Protection Agency Grant | 0                  | 25,446    | 25,446        | 0                    |
| Law Library                           | 139                | 1,984     | 1,739         | 384                  |
| Total                                 | \$ 677,725         | 3,009,214 | 2,799,153     | 887,786              |

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A

HOLT COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS  
YEAR ENDED DECEMBER 31, 2001

| Fund                                  | Cash,<br>January 1 | Receipts  | Disbursements | Cash,<br>December 31 |
|---------------------------------------|--------------------|-----------|---------------|----------------------|
| General Revenue                       | \$ 140,965         | 1,031,278 | 923,276       | 248,967              |
| Special Road and Bridge               | 205,087            | 1,787,739 | 1,846,680     | 146,146              |
| Assessment                            | 2,198              | 86,829    | 81,212        | 7,815                |
| Law Enforcement Training              | 26,588             | 6,154     | 7,231         | 25,511               |
| Prosecuting Attorney Training         | 3,979              | 982       | 1,579         | 3,382                |
| 9-1-1                                 | 108,603            | 82,864    | 90,405        | 101,062              |
| Recorder's Special                    | 20,666             | 5,347     | 754           | 25,259               |
| Sheriff's Civil Fees                  | 3,922              | 6,890     | 5,146         | 5,666                |
| Debt Service                          | 32,410             | 4,805     | 5,105         | 32,110               |
| Clerk's Election Fee                  | 1,753              | 1,390     | 0             | 3,143                |
| Victims of Domestic Violence          | 2,205              | 195       | 0             | 2,400                |
| Johnson Grass                         | 44,092             | 42,305    | 39,918        | 46,479               |
| Prosecuting Attorney Bad Check        | 448                | 0         | 117           | 331                  |
| Prosecuting Attorney Delinquent Tax   | 2,269              | 0         | 0             | 2,269                |
| Cemetery Trust                        | 26,480             | 995       | 429           | 27,046               |
| Prosecuting Attorney Dialog           | 0                  | 10,245    | 10,245        | 0                    |
| Community Development Block Grant     | 0                  | 351,170   | 351,170       | 0                    |
| Environmental Protection Agency Grant | 0                  | 123,747   | 123,747       | 0                    |
| Law Library                           | 74                 | 890       | 825           | 139                  |
| Total                                 | \$ 621,739         | 3,543,825 | 3,487,839     | 677,725              |

The accompanying Notes to the Financial Statements are an integral part of this statement.

## Exhibit B

## HOLT COUNTY, MISSOURI

## COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

|                                     | Year Ended December 31, |           |  |           |           |  |
|-------------------------------------|-------------------------|-----------|--|-----------|-----------|--|
|                                     | 2002                    |           |  | 2001      |           |  |
|                                     | Budget                  | Actual    | Variance<br>Favorable<br>(Unfavorable) | Budget    | Actual    | Variance<br>Favorable<br>(Unfavorable) |
| <b>TOTALS - VARIOUS FUNDS</b>       |                         |           |  |           |           |  |
| RECEIPTS                            | \$ 3,808,732            | 3,007,230 | (801,502)                              | 2,933,510 | 3,067,023 | 133,513                                |
| DISBURSEMENTS                       | 4,118,236               | 2,797,414 | 1,320,822                              | 3,301,834 | 3,011,668 | 290,166                                |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (309,504)               | 209,816   | 519,320                                | (368,324) | 55,355    | 423,679                                |
| CASH, JANUARY 1                     | 657,883                 | 677,586   | 19,703                                 | 595,185   | 595,185   | 0                                      |
| CASH, DECEMBER 31                   | 348,379                 | 887,402   | 539,023                                | 226,861   | 650,540   | 423,679                                |
| <b>GENERAL REVENUE FUND</b>         |                         |           |  |           |           |  |
| RECEIPTS                            |                         |           |  |           |           |  |
| Property taxes                      | 248,600                 | 248,760   | 160                                    | 239,073   | 247,652   | 8,579                                  |
| Sales and use taxes                 | 455,000                 | 445,808   | (9,192)                                | 270,000   | 389,158   | 119,158                                |
| Intergovernmental                   | 135,170                 | 132,092   | (3,078)                                | 135,210   | 123,575   | (11,635)                               |
| Charges for services                | 186,000                 | 184,816   | (1,184)                                | 181,900   | 179,477   | (2,423)                                |
| Interest                            | 10,500                  | 6,540     | (3,960)                                | 15,000    | 15,463    | 463                                    |
| Other                               | 7,250                   | 10,766    | 3,516                                  | 4,300     | 6,353     | 2,053                                  |
| Transfers in                        | 78,538                  | 48,538    | (30,000)                               | 71,100    | 69,600    | (1,500)                                |
| Total Receipts                      | 1,121,058               | 1,077,320 | (43,738)                               | 916,583   | 1,031,278 | 114,695                                |
| DISBURSEMENTS                       |                         |           |  |           |           |  |
| County Commission                   | 72,539                  | 71,978    | 561                                    | 75,823    | 70,239    | 5,584                                  |
| County Clerk                        | 75,495                  | 73,318    | 2,177                                  | 75,355    | 71,467    | 3,888                                  |
| Elections                           | 35,870                  | 24,271    | 11,599                                 | 11,670    | 12,230    | (560)                                  |
| Buildings and grounds               | 53,300                  | 40,444    | 12,856                                 | 53,023    | 45,259    | 7,764                                  |
| Employee fringe benefits            | 230,450                 | 197,879   | 32,571                                 | 174,250   | 151,433   | 22,817                                 |
| County Treasurer                    | 23,306                  | 22,723    | 583                                    | 23,206    | 22,515    | 691                                    |
| County Collector                    | 57,056                  | 56,520    | 536                                    | 56,142    | 55,148    | 994                                    |
| Ex Officio Recorder of Deeds        | 3,600                   | 1,710     | 1,890                                  | 3,700     | 2,274     | 1,426                                  |
| Associate Circuit Court             | 12,750                  | 5,073     | 7,677                                  | 11,800    | 5,214     | 6,586                                  |
| Court administration                | 11,900                  | 1,070     | 10,830                                 | 12,050    | 3,154     | 8,896                                  |
| Public Administrator                | 13,485                  | 13,158    | 327                                    | 13,485    | 13,404    | 81                                     |
| Sheriff                             | 150,020                 | 141,343   | 8,677                                  | 152,918   | 141,993   | 10,925                                 |
| Jail                                | 86,060                  | 81,697    | 4,363                                  | 81,450    | 66,208    | 15,242                                 |
| Prosecuting Attorney                | 63,469                  | 59,369    | 4,100                                  | 62,971    | 58,782    | 4,189                                  |
| Juvenile Officer                    | 9,498                   | 7,525     | 1,973                                  | 9,887     | 7,693     | 2,194                                  |
| County Coroner                      | 11,750                  | 8,214     | 3,536                                  | 10,150    | 10,427    | (277)                                  |
| Health Department                   | 87,577                  | 83,608    | 3,969                                  | 84,656    | 81,870    | 2,786                                  |
| Public health and welfare services  | 4,600                   | 2,965     | 1,635                                  | 4,450     | 3,252     | 1,198                                  |
| Other                               | 154,940                 | 122,468   | 32,472                                 | 104,748   | 94,604    | 10,144                                 |
| Transfers out                       | 8,900                   | 6,652     | 2,248                                  | 8,300     | 6,110     | 2,190                                  |
| Emergency Fund                      | 33,700                  | 0         | 33,700                                 | 27,498    | 0         | 27,498                                 |
| Total Disbursements                 | 1,200,265               | 1,021,985 | 178,280                                | 1,057,532 | 923,276   | 134,256                                |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (79,207)                | 55,335    | 134,542                                | (140,949) | 108,002   | 248,951                                |
| CASH, JANUARY 1                     | 248,967                 | 248,967   | 0                                      | 140,965   | 140,965   | 0                                      |
| CASH, DECEMBER 31                   | 169,760                 | 304,302   | 134,542                                | 16        | 248,967   | 248,951                                |

## Exhibit B

HOLT COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

|  | Year Ended December 31, |           |  |           |           |  |
|--|-------------------------|-----------|--|-----------|-----------|--|
|  | 2002                    |           |  | 2001      |           |  |
|  | Budget                  | Actual    | Variance<br>Favorable<br>(Unfavorable) | Budget    | Actual    | Variance<br>Favorable<br>(Unfavorable) |
| <b><u>SPECIAL ROAD AND BRIDGE FUND</u></b> |                         |           |  |           |           |  |
| RECEIPTS                                   |                         |           |  |           |           |  |
| Property taxes                             | 309,000                 | 302,106   | (6,894)                                | 308,850   | 302,955   | (5,895)                                |
| Sales taxes                                | 300,000                 | 308,859   | 8,859                                  | 283,700   | 307,143   | 23,443                                 |
| Intergovernmental                          | 995,550                 | 1,025,292 | 29,742                                 | 1,175,450 | 1,158,112 | (17,338)                               |
| Charges for services                       | 0                       | 742       | 742                                    | 0         | 0         | 0                                      |
| Interest                                   | 12,200                  | 6,235     | (5,965)                                | 16,400    | 16,575    | 175                                    |
| Other                                      | 1,500                   | 5,762     | 4,262                                  | 1,000     | 2,954     | 1,954                                  |
| Total Receipts                             | 1,618,250               | 1,648,996 | 30,746                                 | 1,785,400 | 1,787,739 | 2,339                                  |
| DISBURSEMENTS                              |                         |           |  |           |           |  |
| Salaries                                   | 270,000                 | 250,927   | 19,073                                 | 251,000   | 240,930   | 10,070                                 |
| Employee fringe benefits                   | 107,000                 | 92,695    | 14,305                                 | 83,300    | 80,132    | 3,168                                  |
| Supplies                                   | 90,000                  | 80,420    | 9,580                                  | 82,000    | 82,608    | (608)                                  |
| Insurance                                  | 20,000                  | 15,912    | 4,088                                  | 16,000    | 18,259    | (2,259)                                |
| Road and bridge materials                  | 102,000                 | 105,528   | (3,528)                                | 108,500   | 96,035    | 12,465                                 |
| Equipment repairs                          | 25,000                  | 17,078    | 7,922                                  | 35,000    | 19,508    | 15,492                                 |
| Rentals                                    | 15,000                  | 25,740    | (10,740)                               | 15,000    | 35,801    | (20,801)                               |
| Equipment purchases                        | 111,280                 | 112,629   | (1,349)                                | 266,700   | 262,901   | 3,799                                  |
| Construction, repair, and maintenance      | 891,000                 | 763,363   | 127,637                                | 942,000   | 939,628   | 2,372                                  |
| Other                                      | 23,000                  | 17,624    | 5,376                                  | 31,000    | 25,878    | 5,122                                  |
| Transfers out                              | 50,000                  | 20,000    | 30,000                                 | 50,000    | 45,000    | 5,000                                  |
| Total Disbursements                        | 1,704,280               | 1,501,916 | 202,364                                | 1,880,500 | 1,846,680 | 33,820                                 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS        | (86,030)                | 147,080   | 233,110                                | (95,100)  | (58,941)  | 36,159                                 |
| CASH, JANUARY 1                            | 146,146                 | 146,146   | 0                                      | 205,087   | 205,087   | 0                                      |
| CASH, DECEMBER 31                          | 60,116                  | 293,226   | 233,110                                | 109,987   | 146,146   | 36,159                                 |
| <b><u>ASSESSMENT FUND</u></b>              |                         |           |  |           |           |  |
| RECEIPTS                                   |                         |           |  |           |           |  |
| Intergovernmental                          | 83,800                  | 86,984    | 3,184                                  | 82,500    | 80,230    | (2,270)                                |
| Interest                                   | 750                     | 443       | (307)                                  | 1,200     | 1,099     | (101)                                  |
| Other                                      | 100                     | 1,095     | 995                                    | 0         | 0         | 0                                      |
| Transfers in                               | 5,500                   | 5,500     | 0                                      | 5,500     | 5,500     | 0                                      |
| Total Receipts                             | 90,150                  | 94,022    | 3,872                                  | 89,200    | 86,829    | (2,371)                                |
| DISBURSEMENTS                              |                         |           |  |           |           |  |
| Assessor                                   | 92,224                  | 88,107    | 4,117                                  | 91,394    | 81,212    | 10,182                                 |
| Total Disbursements                        | 92,224                  | 88,107    | 4,117                                  | 91,394    | 81,212    | 10,182                                 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS        | (2,074)                 | 5,915     | 7,989                                  | (2,194)   | 5,617     | 7,811                                  |
| CASH, JANUARY 1                            | 7,815                   | 7,815     | 0                                      | 2,198     | 2,198     | 0                                      |
| CASH, DECEMBER 31                          | 5,741                   | 13,730    | 7,989                                  | 4         | 7,815     | 7,811                                  |

## Exhibit B

## HOLT COUNTY, MISSOURI

## COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

|  | Year Ended December 31, |         |  |          |         |  |
|--|-------------------------|---------|--|----------|---------|--|
|  | 2002                    |         |  | 2001     |         |  |
|  | Budget                  | Actual  | Variance<br>Favorable<br>(Unfavorable) | Budget   | Actual  | Variance<br>Favorable<br>(Unfavorable) |
| <b><u>LAW ENFORCEMENT TRAINING FUND</u></b>      |                         |         |  |          |         |  |
| RECEIPTS   |                         |         |  |          |         |  |
| Intergovernmental                                | 1,880                   | 1,800   | (80)                                   | 2,300    | 1,872   | (428)                                  |
| Charges for services                             | 3,600                   | 4,419   | 819                                    | 4,000    | 3,414   | (586)                                  |
| Interest   | 500                     | 311     | (189)                                  | 500      | 868     | 368                                    |
| Total Receipts                                   | 5,980                   | 6,530   | 550                                    | 6,800    | 6,154   | (646)                                  |
| DISBURSEMENTS                                    |                         |         |  |          |         |  |
| Sheriff  | 28,391                  | 4,917   | 23,474                                 | 9,800    | 7,231   | 2,569                                  |
| Transfers out                                    | 2,638                   | 2,638   | 0                                      | 6,800    | 0       | 6,800                                  |
| Total Disbursements                              | 31,029                  | 7,555   | 23,474                                 | 16,600   | 7,231   | 9,369                                  |
| RECEIPTS OVER (UNDER) DISBURSEMENTS              | (25,049)                | (1,025) | 24,024                                 | (9,800)  | (1,077) | 8,723                                  |
| CASH, JANUARY 1                                  | 25,511                  | 25,511  | 0                                      | 26,588   | 26,588  | 0                                      |
| CASH, DECEMBER 31                                | 462                     | 24,486  | 24,024                                 | 16,788   | 25,511  | 8,723                                  |
| <b><u>PROSECUTING ATTORNEY TRAINING FUND</u></b> |                         |         |  |          |         |  |
| RECEIPTS   |                         |         |  |          |         |  |
| Charges for services                             | 800                     | 1,103   | 303                                    | 1,000    | 853     | (147)                                  |
| Interest   | 100                     | 42      | (58)                                   | 0        | 129     | 129                                    |
| Total Receipts                                   | 900                     | 1,145   | 245                                    | 1,000    | 982     | (18)                                   |
| DISBURSEMENTS                                    |                         |         |  |          |         |  |
| Prosecuting Attorney                             | 3,000                   | 981     | 2,019                                  | 2,000    | 1,579   | 421                                    |
| Total Disbursements                              | 3,000                   | 981     | 2,019                                  | 2,000    | 1,579   | 421                                    |
| RECEIPTS OVER (UNDER) DISBURSEMENTS              | (2,100)                 | 164     | 2,264                                  | (1,000)  | (597)   | 403                                    |
| CASH, JANUARY 1                                  | 3,382                   | 3,382   | 0                                      | 3,979    | 3,979   | 0                                      |
| CASH, DECEMBER 31                                | 1,282                   | 3,546   | 2,264                                  | 2,979    | 3,382   | 403                                    |
| <b><u>9-1-1 FUND</u></b>                         |                         |         |  |          |         |  |
| RECEIPTS   |                         |         |  |          |         |  |
| Sales taxes                                      | 75,000                  | 77,214  | 2,214                                  | 71,500   | 76,763  | 5,263                                  |
| Interest   | 2,700                   | 1,396   | (1,304)                                | 3,500    | 3,941   | 441                                    |
| Other  | 1,800                   | 1,845   | 45                                     | 1,300    | 2,160   | 860                                    |
| Total Receipts                                   | 79,500                  | 80,455  | 955                                    | 76,300   | 82,864  | 6,564                                  |
| DISBURSEMENTS                                    |                         |         |  |          |         |  |
| Salaries   | 0                       | 0       | 0                                      | 3,000    | 0       | 3,000                                  |
| Office expenditures                              | 45,900                  | 20,809  | 25,091                                 | 28,700   | 18,521  | 10,179                                 |
| Equipment  | 56,837                  | 42,088  | 14,749                                 | 99,000   | 47,057  | 51,943                                 |
| Mileage and training                             | 0                       | 0       | 0                                      | 5,000    | 0       | 5,000                                  |
| Other  | 32,000                  | 2,857   | 29,143                                 | 4,500    | 227     | 4,273                                  |
| Transfers out                                    | 22,900                  | 22,900  | 0                                      | 24,600   | 24,600  | 0                                      |
| Total Disbursements                              | 157,637                 | 88,654  | 68,983                                 | 164,800  | 90,405  | 74,395                                 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS              | (78,137)                | (8,199) | 69,938                                 | (88,500) | (7,541) | 80,959                                 |
| CASH, JANUARY 1                                  | 101,062                 | 101,062 | 0                                      | 108,603  | 108,603 | 0                                      |
| CASH, DECEMBER 31                                | 22,925                  | 92,863  | 69,938                                 | 20,103   | 101,062 | 80,959                                 |



## Exhibit B

## HOLT COUNTY, MISSOURI

## COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

|   | Year Ended December 31, |         |  |          |        |  |
|---|-------------------------|---------|--|----------|--------|--|
|   | 2002                    |         |  | 2001     |        |  |
|   | Budget                  | Actual  | Variance<br>Favorable<br>(Unfavorable) | Budget   | Actual | Variance<br>Favorable<br>(Unfavorable) |
| <b><u>RECORDER'S SPECIAL FUND</u></b>   |                         |         |  |          |        |  |
| RECEIPTS                                |                         |         |  |          |        |  |
| Charges for services                    | 4,000                   | 7,410   | 3,410                                  | 2,750    | 4,672  | 1,922                                  |
| Interest                                | 500                     | 311     | (189)                                  | 600      | 675    | 75                                     |
| Total Receipts                          | 4,500                   | 7,721   | 3,221                                  | 3,350    | 5,347  | 1,997                                  |
| DISBURSEMENTS                           |                         |         |  |          |        |  |
| Recorder of Deeds                       | 24,600                  | 10,064  | 14,536                                 | 18,000   | 754    | 17,246                                 |
| Total Disbursements                     | 24,600                  | 10,064  | 14,536                                 | 18,000   | 754    | 17,246                                 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS     | (20,100)                | (2,343) | 17,757                                 | (14,650) | 4,593  | 19,243                                 |
| CASH, JANUARY 1                         | 25,259                  | 25,259  | 0                                      | 20,666   | 20,666 | 0                                      |
| CASH, DECEMBER 31                       | 5,159                   | 22,916  | 17,757                                 | 6,016    | 25,259 | 19,243                                 |
| <b><u>SHERIFF'S CIVIL FEES FUND</u></b> |                         |         |  |          |        |  |
| RECEIPTS                                |                         |         |  |          |        |  |
| Charges for services                    | 6,000                   | 6,365   | 365                                    | 5,000    | 6,762  | 1,762                                  |
| Interest                                | 100                     | 83      | (17)                                   | 0        | 128    | 128                                    |
| Total Receipts                          | 6,100                   | 6,448   | 348                                    | 5,000    | 6,890  | 1,890                                  |
| DISBURSEMENTS                           |                         |         |  |          |        |  |
| Equipment                               | 4,000                   | 2,563   | 1,437                                  | 4,000    | 2,106  | 1,894                                  |
| Other                                   | 2,000                   | 3,329   | (1,329)                                | 2,000    | 3,040  | (1,040)                                |
| Total Disbursements                     | 6,000                   | 5,892   | 108                                    | 6,000    | 5,146  | 854                                    |
| RECEIPTS OVER (UNDER) DISBURSEMENTS     | 100                     | 556     | 456                                    | (1,000)  | 1,744  | 2,744                                  |
| CASH, JANUARY 1                         | 5,666                   | 5,666   | 0                                      | 3,922    | 3,922  | 0                                      |
| CASH, DECEMBER 31                       | 5,766                   | 6,222   | 456                                    | 2,922    | 5,666  | 2,744                                  |
| <b><u>DEBT SERVICE FUND</u></b>         |                         |         |  |          |        |  |
| RECEIPTS                                |                         |         |  |          |        |  |
| Property taxes                          | 3,300                   | 2,982   | (318)                                  | 3,200    | 3,000  | (200)                                  |
| Interest                                | 1,700                   | 1,727   | 27                                     | 1,700    | 1,805  | 105                                    |
| Total Receipts                          | 5,000                   | 4,709   | (291)                                  | 4,900    | 4,805  | (95)                                   |
| DISBURSEMENTS                           |                         |         |  |          |        |  |
| Principal                               | 2,000                   | 2,000   | 0                                      | 2,000    | 2,000  | 0                                      |
| Interest and fees                       | 4,000                   | 2,736   | 1,264                                  | 4,000    | 3,105  | 895                                    |
| Total Disbursements                     | 6,000                   | 4,736   | 1,264                                  | 6,000    | 5,105  | 895                                    |
| RECEIPTS OVER (UNDER) DISBURSEMENTS     | (1,000)                 | (27)    | 973                                    | (1,100)  | (300)  | 800                                    |
| CASH, JANUARY 1                         | 32,110                  | 32,110  | 0                                      | 32,410   | 32,410 | 0                                      |
| CASH, DECEMBER 31                       | 31,110                  | 32,083  | 973                                    | 31,310   | 32,110 | 800                                    |

## Exhibit B

## HOLT COUNTY, MISSOURI

## COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

|   | Year Ended December 31, |         |  |         |        |  |
|---|-------------------------|---------|--|---------|--------|--|
|   | 2002                    |         |  | 2001    |        |  |
|   | Budget                  | Actual  | Variance<br>Favorable<br>(Unfavorable) | Budget  | Actual | Variance<br>Favorable<br>(Unfavorable) |
| <b><u>CLERK'S ELECTION FEE FUND</u></b>         |                         |         |  |         |        |  |
| RECEIPTS  |                         |         |  |         |        |  |
| Intergovernmental                               | 1,385                   | 63      | (1,322)                                | 662     | 780    | 118                                    |
| Transfers in                                    | 750                     | 1,152   | 402                                    | 100     | 610    | 510                                    |
| Total Receipts                                  | 2,135                   | 1,215   | (920)                                  | 762     | 1,390  | 628                                    |
| DISBURSEMENTS                                   |                         |         |  |         |        |  |
| County Clerk                                    | 3,000                   | 524     | 2,476                                  | 2,500   | 0      | 2,500                                  |
| Total Disbursements                             | 3,000                   | 524     | 2,476                                  | 2,500   | 0      | 2,500                                  |
| RECEIPTS OVER (UNDER) DISBURSEMENTS             | (865)                   | 691     | 1,556                                  | (1,738) | 1,390  | 3,128                                  |
| CASH, JANUARY 1                                 | 3,143                   | 3,143   | 0                                      | 1,753   | 1,753  | 0                                      |
| CASH, DECEMBER 31                               | 2,278                   | 3,834   | 1,556                                  | 15      | 3,143  | 3,128                                  |
| <b><u>VICTIMS OF DOMESTIC VIOLENCE FUND</u></b> |                         |         |  |         |        |  |
| RECEIPTS  |                         |         |  |         |        |  |
| Charges for services                            | 175                     | 240     | 65                                     | 250     | 195    | (55)                                   |
| Total Receipts                                  | 175                     | 240     | 65                                     | 250     | 195    | (55)                                   |
| DISBURSEMENTS                                   |                         |         |  |         |        |  |
| Shelter   | 2,575                   | 2,575   | 0                                      | 2,455   | 0      | 2,455                                  |
| Total Disbursements                             | 2,575                   | 2,575   | 0                                      | 2,455   | 0      | 2,455                                  |
| RECEIPTS OVER (UNDER) DISBURSEMENTS             | (2,400)                 | (2,335) | 65                                     | (2,205) | 195    | 2,400                                  |
| CASH, JANUARY 1                                 | 2,400                   | 2,400   | 0                                      | 2,205   | 2,205  | 0                                      |
| CASH, DECEMBER 31                               | 0                       | 65      | 65                                     | 0       | 2,400  | 2,400                                  |
| <b><u>JOHNSON GRASS FUND</u></b>                |                         |         |  |         |        |  |
| RECEIPTS  |                         |         |  |         |        |  |
| Property taxes                                  | 35,104                  | 33,310  | (1,794)                                | 31,900  | 34,793 | 2,893                                  |
| Intergovernmental                               | 222                     | 52      | (170)                                  | 220     | 222    | 2                                      |
| Interest  | 2,200                   | 910     | (1,290)                                | 1,500   | 2,309  | 809                                    |
| Other   | 0                       | 70      | 70                                     | 0       | 4,981  | 4,981                                  |
| Total Receipts                                  | 37,526                  | 34,342  | (3,184)                                | 33,620  | 42,305 | 8,685                                  |
| DISBURSEMENTS                                   |                         |         |  |         |        |  |
| Salaries  | 10,000                  | 10,004  | (4)                                    | 9,808   | 10,175 | (367)                                  |
| Equipment and supplies                          | 27,500                  | 8,077   | 19,423                                 | 30,050  | 29,743 | 307                                    |
| Mileage and training                            | 0                       | 0       | 0                                      | 150     | 0      | 150                                    |
| Transfers out                                   | 3,000                   | 3,000   | 0                                      | 1,500   | 0      | 1,500                                  |
| Total Disbursements                             | 40,500                  | 21,081  | 19,419                                 | 41,508  | 39,918 | 1,590                                  |
| RECEIPTS OVER (UNDER) DISBURSEMENTS             | (2,974)                 | 13,261  | 16,235                                 | (7,888) | 2,387  | 10,275                                 |
| CASH, JANUARY 1                                 | 46,479                  | 46,479  | 0                                      | 44,092  | 44,092 | 0                                      |
| CASH, DECEMBER 31                               | 43,505                  | 59,740  | 16,235                                 | 36,204  | 46,479 | 10,275                                 |

## Exhibit B

HOLT COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

|  | Year Ended December 31, |        |  |         |        |  |
|--|-------------------------|--------|--|---------|--------|--|
|  | 2002                    |        |  | 2001    |        |  |
|  | Budget                  | Actual | Variance<br>Favorable<br>(Unfavorable) | Budget  | Actual | Variance<br>Favorable<br>(Unfavorable) |
| <b><u>PROSECUTING ATTORNEY BAD CHECK FUND</u></b>          |                         |        |  |         |        |  |
| RECEIPTS   |                         |        |  |         |        |  |
| Charges for services                                       | 100                     | 0      | (100)                                  | 100     | 0      | (100)                                  |
| Total Receipts   | 100                     | 0      | (100)                                  | 100     | 0      | (100)                                  |
| DISBURSEMENTS  |                         |        |  |         |        |  |
| Prosecuting Attorney                                       | 300                     | 9      | 291                                    | 300     | 117    | 183                                    |
| Total Disbursements  | 300                     | 9      | 291                                    | 300     | 117    | 183                                    |
| RECEIPTS OVER (UNDER) DISBURSEMENTS                        | (200)                   | (9)    | 191                                    | (200)   | (117)  | 83                                     |
| CASH, JANUARY 1  | 331                     | 331    | 0                                      | 448     | 448    | 0                                      |
| CASH, DECEMBER 31  | 131                     | 322    | 191                                    | 248     | 331    | 83                                     |
| <b><u>PROSECUTING ATTORNEY DELINQUENT<br/>TAX FUND</u></b> |                         |        |  |         |        |  |
| RECEIPTS   |                         |        |  |         |        |  |
| Charges for services                                       | 0                       | 0      | 0                                      | 0       | 0      | 0                                      |
| Total Receipts   | 0                       | 0      | 0                                      | 0       | 0      | 0                                      |
| DISBURSEMENTS  |                         |        |  |         |        |  |
| Prosecuting Attorney                                       | 2,200                   | 0      | 2,200                                  | 2,000   | 0      | 2,000                                  |
| Total Disbursements  | 2,200                   | 0      | 2,200                                  | 2,000   | 0      | 2,000                                  |
| RECEIPTS OVER (UNDER) DISBURSEMENTS                        | (2,200)                 | 0      | 2,200                                  | (2,000) | 0      | 2,000                                  |
| CASH, JANUARY 1  | 2,269                   | 2,269  | 0                                      | 2,269   | 2,269  | 0                                      |
| CASH, DECEMBER 31  | 69                      | 2,269  | 2,200                                  | 269     | 2,269  | 2,000                                  |
| <b><u>CEMETERY TRUST FUND</u></b>                          |                         |        |  |         |        |  |
| RECEIPTS   |                         |        |  |         |        |  |
| Interest   | 375                     | 885    | 510                                    |         |        |  |
| Total Receipts   | 375                     | 885    | 510                                    |         |        |  |
| DISBURSEMENTS  |                         |        |  |         |        |  |
| Maintenance  | 7,643                   | 680    | 6,963                                  |         |        |  |
| Total Disbursements  | 7,643                   | 680    | 6,963                                  |         |        |  |
| RECEIPTS OVER (UNDER) DISBURSEMENTS                        | (7,268)                 | 205    | 7,473                                  |         |        |  |
| CASH, JANUARY 1  | 7,343                   | 27,046 | 19,703                                 |         |        |  |
| CASH, DECEMBER 31  | 75                      | 27,251 | 27,176                                 |         |        |  |
| <b><u>PROSECUTING ATTORNEY DIALOG FUND</u></b>             |                         |        |  |         |        |  |
| RECEIPTS   |                         |        |  |         |        |  |
| Intergovernmental  |                         |        |  | 10,245  | 10,245 | 0                                      |
| Total Receipts   |                         |        |  | 10,245  | 10,245 | 0                                      |
| DISBURSEMENTS  |                         |        |  |         |        |  |
| Prosecuting Attorney                                       |                         |        |  | 10,245  | 10,245 | 0                                      |
| Total Disbursements  |                         |        |  | 10,245  | 10,245 | 0                                      |
| RECEIPTS OVER (UNDER) DISBURSEMENTS                        |                         |        |  | 0       | 0      | 0                                      |
| CASH, JANUARY 1  |                         |        |  | 0       | 0      | 0                                      |
| CASH, DECEMBER 31  |                         |        |  | 0       | 0      | 0                                      |

## Exhibit B

HOLT COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

|   | Year Ended December 31, |        |  |        |        |  |
|---|-------------------------|--------|--|--------|--------|--|
|   | 2002                    |        |  | 2001   |        |  |
|   | Budget                  | Actual | Variance<br>Favorable<br>(Unfavorable) | Budget | Actual | Variance<br>Favorable<br>(Unfavorable) |
| <b><u>COMMUNITY DEVELOPMENT</u></b>           |                         |        |  |        |        |  |
| <b><u>BLOCK GRANT FUND</u></b>                |                         |        |  |        |        |  |
| RECEIPTS                                      |                         |        |  |        |        |  |
| Intergovernmental                             | 476,830                 | 17,756 | (459,074)                              |        |        |  |
| Total Receipts                                | 476,830                 | 17,756 | (459,074)                              |        |        |  |
| DISBURSEMENTS                                 |                         |        |  |        |        |  |
| Golden Triangle Infrastructure                | 1,000                   | 0      | 1,000                                  |        |        |  |
| Public Water Supply District #1               | 475,830                 | 17,209 | 458,621                                |        |        |  |
| Total Disbursements                           | 476,830                 | 17,209 | 459,621                                |        |        |  |
| RECEIPTS OVER (UNDER) DISBURSEMENTS           | 0                       | 547    | 547                                    |        |        |  |
| CASH, JANUARY 1                               | 0                       | 0      | 0                                      |        |        |  |
| CASH, DECEMBER 31                             | 0                       | 547    | 547                                    |        |        |  |
| <b><u>ENVIRONMENTAL PROTECTION AGENCY</u></b> |                         |        |  |        |        |  |
| <b><u>GRANT FUND</u></b>                      |                         |        |  |        |        |  |
| RECEIPTS                                      |                         |        |  |        |        |  |
| Intergovernmental                             | 360,153                 | 25,446 | (334,707)                              |        |        |  |
| Total Receipts                                | 360,153                 | 25,446 | (334,707)                              |        |        |  |
| DISBURSEMENTS                                 |                         |        |  |        |        |  |
| Craig sewer stations                          | 360,153                 | 4,839  | 355,314                                |        |        |  |
| Maitland water main replacement               | 0                       | 20,607 | (20,607)                               |        |        |  |
| Total Disbursements                           | 360,153                 | 25,446 | 334,707                                |        |        |  |
| RECEIPTS OVER (UNDER) DISBURSEMENTS           | 0                       | 0      | 0                                      |        |        |  |
| CASH, JANUARY 1                               | 0                       | 0      | 0                                      |        |        |  |
| CASH, DECEMBER 31                             | 0                       | 0      | 0                                      |        |        |  |

The accompanying Notes to the Financial Statements are an integral part of this statement.

## Notes to the Financial Statements

HOLT COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of various funds of Holt County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, or the Johnson Grass Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 2000, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

| <u>Fund</u>                                   | <u>Years Ended December 31,</u> |
|---|---------------------------------|
| Cemetery Trust Fund                           | 2001                            |
| Community Development Block<br>Grant Fund     | 2001                            |
| Environmental Protection Agency<br>Grant Fund | 2001                            |
| Law Library Fund                              | 2002 and 2001                   |

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the county's published financial statements did not include the following funds:

| <u>Fund</u>                                   | <u>Years Ended December 31,</u> |
|---|---------------------------------|
| Prosecuting Attorney Delinquent<br>Tax Fund   | 2002                            |
| Community Development Block<br>Grant Fund     | 2001                            |
| Environmental Protection Agency<br>Grant Fund | 2001                            |
| Law Library Fund                              | 2002 and 2001                   |

2. Cash

Section 110.270, RSMo 2000, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with authority to invest in instruments other than depositary accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

The county's deposits at December 31, 2002 and 2001, were entirely covered by federal depositary insurance or by collateral securities held by the county's custodial bank in the county's name.

## Supplementary Schedule



## Schedule

HOLT COUNTY, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

| Federal<br>CFDA<br>Number                           | Federal Grantor/Pass-Through Grantor/Program Title                            | Pass-Through<br>Entity<br>Identifying<br>Number | Federal Expenditures    |                |
|---|---|---|-------------------------|----------------|
|   |   |   | Year Ended December 31, |                |
|   |   |   | 2002                    | 2001           |
| U. S. DEPARTMENT OF AGRICULTURE                     |   |   |                         |                |
| Passed through state                                |   |   |                         |                |
| Department of Health and Senior Service             |   |   |                         |                |
| 10.557  | Special Supplemental Nutrition Program<br>for Women, Infants, and Children    | ERS045-3143W                                    | \$ 10,386               | 0              |
|   |   | ERS045-2143W                                    | 2,003                   | 2,724          |
|   |   | ERS045-1143W                                    | 0                       | 7,589          |
|   | Program Total   |   | <u>12,389</u>           | <u>10,313</u>  |
| U.S. DEPARTMENT OF HOUSING AND URBAN<br>DEVELOPMENT |   |   |                         |                |
| Passed through state                                |   |   |                         |                |
| Department of Economic Development                  |   |   |                         |                |
| 14.228  | Community Development Block Grants/State'<br>Program                          | 94-PF-848                                       | 17,209                  | 24,170         |
|   |   | 99-ED-17  | 0                       | 327,000        |
|   | Program Total   |   | <u>17,209</u>           | <u>351,170</u> |
| U.S. DEPARTMENT OF JUSTICE                          |   |   |                         |                |
| Direct program:                                     |   |   |                         |                |
| 16.607  | Bulletproof Vest Partnership Program  | N/A   | 2,025                   | 0              |
| Passed through:                                     |   |   |                         |                |
| State Department of Public Safety                   |   |   |                         |                |
| 16.554  | National Criminal History Improvement Program                                 | 95-RU-RX-K011                                   | 0                       | 10,245         |
| U. S. DEPARTMENT OF TRANSPORTATION                  |   |   |                         |                |
| Passed through state                                |   |   |                         |                |
| Highway and Transportation Commission               |   |   |                         |                |
| 20.205  | Highway Planning and Construction   | BRO-044(16)                                     | 283,890                 | 16,692         |
|   |   | BRO-044(18)                                     | 81,752                  | 217,539        |
|   |   | BRO-044(19)                                     | 108,327                 | 16,692         |
|   |   | BRO-044(20)                                     | 1,205                   | 209,600        |
|   |   | BRO-044(21)                                     | 1,205                   | 203,979        |
|   |   | BRO-044(22)                                     | 0                       | 1,284          |
|   |   | BRO-044(23)                                     | 17,063                  | 0              |
|   | Program Total   |   | <u>493,442</u>          | <u>665,786</u> |
| Department of Public Safety                         |   |   |                         |                |
| 20.703  | Interagency Hazardous Materials Public<br>Sector Training and Planning Grants | N/A   | 2,021                   | 1,903          |

## Schedule

HOLT COUNTY, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

| Federal<br>CFDA<br>Number                     | Federal Grantor/Pass-Through Grantor/Program Title          | Pass-Through<br>Entity<br>Identifying<br>Number | Federal Expenditures    |                  |
|---|---|---|-------------------------|------------------|
|   |   |   | Year Ended December 31, |                  |
|   |   |   | 2002                    | 2001             |
| GENERAL SERVICES ADMINISTRATION               |   |   |                         |                  |
|   | Passed through state Office of Administration               |   |                         |                  |
| 39.003  | Donation of Federal Surplus Personal Property               |   | 0                       | 445              |
| U.S. ENVIRONMENTAL PROTECTION AGENCY          |   |   |                         |                  |
|   | Direct programs:  |   |                         |                  |
| 66.606  | Surveys, Studies, Investigations and Special Purpose Grants | XP-98707401                                     | 25,446                  | 123,747          |
| FEDERAL EMERGENCY MANAGEMENT AGENCY           |   |   |                         |                  |
|   | Passed through state Department of Public Safety            |   |                         |                  |
| 83.534  | Emergency Management - State and Local Assistance           | N/A   | 1,076                   | 1,076            |
| U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES |   |   |                         |                  |
|   | Passed through state  |   |                         |                  |
|   | Department of Health and Senior Service                     |   |                         |                  |
| 93.268  | Immunization Grants   | N/A   | 5,450                   | 9,755            |
|   |   | PGA064-3143A                                    | 350                     | 0                |
|   |   | PGA064-2143A                                    | 1,365                   | 245              |
|   | Program Total   |   | <u>7,165</u>            | <u>10,000</u>    |
| 93.575  | Child Care and Development Block Grants                     | PGA067-3143S                                    | 250                     | 0                |
|   |   | PGA067-2143S                                    | 80                      | 205              |
|   |   | PGA067-1143S                                    | 0                       | 345              |
|   | Program Total   |   | <u>330</u>              | <u>550</u>       |
| 93.994  | Maternal and Child Health Services:                         | N/A   | 59                      | 657              |
|   | Block Grant to the States                                   | ERS146-3143M                                    | 9,245                   | 0                |
|   |   | ERS146-2143M                                    | 3,124                   | 2,577            |
|   |   | ERS146-1143M                                    | 0                       | 8,999            |
|   | Program Total   |   | <u>12,428</u>           | <u>12,233</u>    |
|   | Total Expenditures of Federal Awards                        |   | <u>\$ 573,531</u>       | <u>1,187,468</u> |

N/A - Not applicable

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule.

## Notes to the Supplementary Schedule

HOLT COUNTY, MISSOURI  
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Holt County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

*Federal financial assistance* means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals . . . .

*Federal award* means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Amounts for the Donation of Federal Surplus Personal Property (CFDA number 39.003) represent the estimated fair market value of property at the time of receipt.

Amounts for Immunization Grants (CFDA number 93.268) and the Maternal and Child Health Services Block Grant to the States (CFDA number 93.994) include both cash disbursements and the original acquisition cost of vaccines obtained by the Health Center through the state Department of Health and Senior Services.

2. Subrecipients

Of the federal expenditures presented in the schedule, the county provided federal awards to subrecipients as follows:

| Federal<br>CFDA<br>Number | Program Title  | Amount Provided                 |         |
|---------------------------|--|---------------------------------|---------|
|                           |  | Year Ended December 31,<br>2002 | 2001    |
| 14.228                    | Community Development Block<br>Grants/State's Program          | 17,209                          | 351,170 |
| 66.606                    | Surveys, Studies, Investigations<br>and Special Purpose Grants | 25,446                          | 123,747 |

FEDERAL AWARDS -  
SINGLE AUDIT SECTION

## State Auditor's Report



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the County Commission  
and  
Officeholders of Holt County, Missouri

Compliance

We have audited the compliance of Holt County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2002 and 2001. The county's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs are the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

In our opinion, Holt County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2002 and 2001. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance



with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as finding number 02-1.

### Internal Control Over Compliance

The management of Holt County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the county's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as finding number 02-01.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe that the reportable condition described above is a material weakness.

This report is intended for the information and use of the management of Holt County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo 2000, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" and last name "McCaskill" clearly distinguishable.

Claire McCaskill  
State Auditor

October 28, 2003 (fieldwork completion date)

Schedule

HOLT COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
YEARS ENDED DECEMBER 31, 2002 AND 2001

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?        yes   x   no

Reportable conditions identified that are  
not considered to be material weaknesses?        yes   x   none reported

Noncompliance material to the financial statements  
noted?        yes   x   no

Federal Awards

Internal control over major program:

Material weaknesses identified?        yes   x   no

Reportable condition identified that is  
not considered to be a material weakness?   x   yes        none reported

Type of auditor's report issued on compliance for  
major program: Unqualified

Any audit findings disclosed that are required to be  
reported in accordance with Section .510(a) of OMB  
Circular A-133?   x   yes        no

Identification of major program:

|   |  |
|---|--|
| CFDA or   |  |
| Other Identifying                                   |  |
| <u>Number</u>                                       | <u>Program Title</u>                               |
| 20.205  | Highway Planning and Construction                  |
| 14.228  | Community Development Block Grants/State's Program |
| Dollar threshold used to distinguish between Type A |  |

and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? \_\_\_\_\_ yes        x   no

## **Section II - Financial Statement Findings**

This section includes no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

## **Section III - Federal Award Findings and Questioned Costs**

This section includes the audit finding that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

|  |
|--|
| <b>02-1. Highway Planning and Construction</b> |
|--|

|                       |   |
|-----------------------|---|
| Federal Grantor:      | U.S. Department of Transportation                   |
| Pass-Through Grantor: | State Highway and Transportation Commission         |
| Federal CFDA Number:  | 20.205  |
| Program Title:        | Highway Planning and Construction                   |
| Pass-Through Entity   |   |
| Identifying Number:   | BRO-044(16), (18), (19), (20), (21), (22), and (23) |
| Award Years:          | 2002 and 2001                                       |
| Questioned Costs:     | N/A   |

The county has not established cash management procedures to ensure the minimum time elapses between its receipt of federal Highway Planning and Construction – Offsystem Bridge Replacement (BRO) project monies and the distribution of such monies to contractors. We noted five reimbursements, totaling \$328,614, which were received and held at least 19 days, and another nine, totaling \$303,045, which were held for at least 3 days before the related payment was made to the contractor. While the liability was incurred prior to reimbursement, payment was not made to the contractor in a timely manner.

Section XII -2 of Missouri Department of Transportation's Local Program Agency Manual requires that BRO funds shall be requested such that they are received not more than two days prior to their disbursement.

**WE RECOMMEND** the County Commission establish procedures to minimize the time between the receipt of federal monies and disbursement of such funds to comply with program requirements.

## **AUDITEE'S RESPONSE**

*We agree and effective January1, 2004, we will make every effort to ensure payment of invoices related to BRO projects are made within two days of receipt.*

Follow-Up on Prior Audit Findings for an  
Audit of Financial Statements Performed in Accordance  
With *Government Auditing Standards*

HOLT COUNTY, MISSOURI  
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Holt County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2000.

00-1. Special Road and Bridge Administrative Service Fee

As of December 31, 2000, the General Revenue Fund owed approximately \$122,000 to the Special Road and Bridge Fund for excess administrative service fees transfers, the payment of County Commissioners' salaries and fringe benefits, a portion of the salary and fringe benefits of a County Clerk's employee, and a one time loan from the Road and Bridge Fund to the General Fund.

Recommendation:

The County Commission develop a repayment plan for the money which is due from the General Revenue Fund to the Special Road and Bridge Fund and clearly document their intentions for repaying these monies. In addition, the administrative transfers should be calculated in accordance with state law.

Status:

Implemented. During the two years ended December 31, 2002, the County Commission transferred approximately \$33,500 less than allowed from the Special Road and Bridge Fund to the General Fund for the 2002 and 2001 administrative service fees. The county commission minutes indicate that this was done as part of the county's repayment plan. As a result, the amount owed to the Special Road and Bridge Fund as of December 31, 2002 is approximately \$88,500. The County Commission should continue to adjust their administrative fee transfers until the full amount has been repaid.

00-2. Capital Improvement Sales Tax

Through the combined rates for both of the capital improvement sales taxes, the county levied one percent which is apparently above the statutory maximum.

Recommendation:

The County Commission review the overall Capital Improvement Sales Taxes being levied and ensure they are in accordance with applicable state statutes.

Status:

Not implemented. There is no documentation that the County Commission has taken any action on this concern. It appears the combination of these two Capital Improvement Sales Taxes still exceeds the statutory maximum, although one of these sales taxes is set to expire in 2005 and the taxpayers may again have the opportunity to review this issue. This recommendation has been included in the two previous audit reports, but apparently no action has been taken against the county. Although not repeated in the current report, the recommendation remains as stated above.



Summary Schedule of Prior Audit Findings  
in Accordance With OMB Circular A-133

HOLT COUNTY, MISSOURI  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

The prior audit report issued for the two years ended December 31, 2000, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

## MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -  
State Auditor's Findings

HOLT COUNTY, MISSOURI  
MANAGEMENT ADVISORY REPORT -  
STATE AUDITOR'S FINDINGS

We have audited the financial statements of various funds of Holt County, Missouri, as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated October 28, 2003. We also have audited the compliance of Holt County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2002 and 2001, and have issued our report thereon dated October 28, 2003.

We also have audited the operations of elected officials with funds other than those presented in the financial statements. As applicable, the objectives of this audit were to:

1. Determine the internal controls established over the transactions of the various county officials.
2. Review and evaluate certain other management practices for efficiency and effectiveness.
3. Review certain management practices and financial information for compliance with applicable legal provisions.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed accounting and bank records and other pertinent documents and interviewed various personnel of the county officials.

As part of our audit, we assessed the controls of the various county officials to the extent we determined necessary to evaluate the specific matters described above and not to provide assurance on those controls. With respect to controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk.

Our audit was limited to the specific matters described in the preceding paragraphs and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The accompanying Management Advisory Report presents our findings arising from our audit of the elected county officials referred to above. In addition, this report includes findings other than those, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These findings resulted from our audit of the financial statements of Holt County but do not meet the criteria for inclusion in the written report on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*.

|                             |
|-----------------------------|
| <b>1. Officials' Salary</b> |
|-----------------------------|

Actions of the salary commission in approving a raise for the County Treasurer were not supported by a written legal opinion. The County Treasurer's salary was increased \$10,855 annually, effective with the start of a new term of office on January 1, 2003. A salary commission meeting held in October 2002 approved this increase.

House Bill 2137, effective August 28, 2002, provided for an increase in the compensation paid to the county treasurer. It established an alternative, higher salary schedule and stated the salary commission may authorize the use of the alternative salary schedule. However, Section 50.333, RSMo 2000, appears to authorize salary commissions to meet only in odd-numbered years. There was no legal documentation supporting whether the meeting complied with this state law. As a result, without a documented legal opinion, it is unclear whether the salary increase provided to the County Treasurer is in accordance with state law.

**WE RECOMMEND** the County Commission consult with legal counsel and review the situation to ensure the actions taken were in accordance with state law.

**AUDITEE'S RESPONSE**

*We plan to request an opinion from our legal counsel and will take such action as deemed necessary at that time.*

|   |
|---|
| <b>2. Personnel Policies and Procedures</b> |
|---|

Time sheets are not signed by employees or supervisors, are not submitted by the Sheriff's Department to the County Clerk, and centralized leave records are not maintained.

- A. Employees and their supervisors are not signing time sheets submitted and the Sheriff's Department is not submitting time sheets to the County Clerk. The Sheriff submits a semi-monthly payroll voucher to the County Clerk showing only each deputy's salary and any overtime to be paid. Payroll checks are prepared based upon this record.

To ensure adequate support for payroll expenditures, the time records should be prepared and signed by all employees, verified for accuracy, approved by the applicable supervisor, and filed with the County Commission. In addition, the County Clerk should prepare payroll on the basis of properly submitted time sheets.

- B. The County Clerk does not maintain records of vacation leave, sick leave or compensatory time earned, taken, or accumulated. The County Clerk indicated leave records are to be maintained by each individual office, but at least one office is not maintaining these records. In one instance an employee used six days of sick leave in excess of her accrued balance, which violated the county's personnel policy. Nothing was documented to explain why this employee was authorized to use more sick leave than was earned.

Without centralized and complete leave records, the County Commission cannot ensure that employee's vacation leave, sick leave, and overtime records are accurate, that all employees are treated equitably, and that leave time used does not exceed leave time earned and accumulated. Centralized leave records also aid in determining final pay for employees leaving county employment.

**WE RECOMMEND** the County Commission:

- A. Require time sheets be submitted for all employees and ensure that all time sheets are appropriately signed by employees, approved by the applicable supervisor, and filed with the County Clerk.
- B. Ensure a balance of leave accumulated and taken for each employee is maintained by the County Clerk.

**AUDITEE'S RESPONSE**

- A. *This has been implemented.*
- B. *We are considering doing this and will make a decision by January 1, 2004.*

|                             |
|-----------------------------|
| <b>3. Computer Controls</b> |
|-----------------------------|

Access to programs and data files is not adequately restricted and a formal contingency plan has not been developed. The county has a computer system which is utilized by the County Clerk, the County Assessor, and the County Collector. During our review of the internal controls over the system, we noted the following weaknesses:

- A. 1) Passwords are not changed on a periodic basis to ensure confidentiality. As a result, there is less assurance that passwords are effectively limiting access to the property tax data files and programs to only those individuals who need access for their job responsibilities. Passwords should be unique, changed periodically to reduce the possibility of unauthorized users, and utilized to restrict individuals' access to only those data files and programs they need to accomplish their jobs.

- 2) Security codes which allow different types of editing (i.e., read, write, delete, add, etc.) are not in place that limit access to the various data files and programs utilized by the County Assessor, County Collector, and County Clerk. Lack of security codes and procedures provides the potential for personnel to make undetected and unauthorized changes to information.

Since access to various information is not adequately restricted, unauthorized changes could possibly be made to programs and/or data files without the changes being detected. For example, unauthorized changes could be made to assessed valuation amounts, payment of taxes, or the extension of taxes by officials or employees in offices other than the one specifically responsible for such duties. Currently, the Assessor inputs the additions and abatements to the tax system, although the statutes require this function be performed by the County Clerk.

To establish individual responsibility, and to preserve the integrity of computer programs and data files, access to information should be limited to only those individuals who need access for completion of job responsibilities.

- B. The county does not have a formal emergency contingency plan for the computer system and has not formally negotiated arrangements for backup facilities in the event of a disaster.

Contingency plans should include plans for a variety of situations, such as short- and long-term plans for backup hardware, software, facilities, personnel, and power usage. Involvement of users in contingency planning is important since users will likely be responsible for maintaining at least a portion of the backup under various contingencies. The major benefit of a thorough disaster recovery plan is the ability of the county to recover rapidly from disaster or extraordinary situations that might cause considerable loss or disruption to the county. Because of the county's degree of reliance on the data processing, the need for contingency planning is evident.

**WE RECOMMEND** the County Commission ensure:

- A. Access to specific computer programs/data files is restricted to authorized individuals through a system of passwords and security codes. Passwords should be unique by individual and changed periodically.
- B. A formal contingency plan for the county's computer system is developed.



## **AUDITEE'S RESPONSE**

- A. *We are in the process of addressing the restriction concerns expressed by the auditors and will implement this recommendation by July 1, 2004. Passwords are now unique and are changed periodically.*
- B. *We agree and will develop a plan by July 1, 2004.*

|                        |
|------------------------|
| <b>4. Fixed Assets</b> |
|------------------------|

The County Commission or its designee is responsible for maintaining a complete and detailed record of county property. In the past, the County Clerk has been primarily responsible for these records. While the County Clerk maintains an inventory listing of fixed assets held by county officials; the fixed asset listings have not been updated, nor has a physical inventory been completed since 2000. The county has not developed a policy to define who is responsible for inventory records, the procedures to be followed, and the content of the records.

Section 49.093, RSMo 2000, provides the county officer of each county department shall annually inspect and inventory county property used by that department with an individual original value of \$250 or more and any property with an aggregate value of \$1,000 or more. After the first inventory is taken, an explanation of material changes shall be attached to subsequent inventories. All remaining property not inventoried by a particular department shall be inventoried by the county clerk. The reports required by this section shall be signed by the county clerk.

Adequate general fixed asset records are necessary to secure better internal control over county property, meet statutory requirements, and provide a basis for determining proper insurance coverage required on county property. Physical inventories of county property are necessary to ensure the fixed asset records are accurate, identify any unrecorded additions and deletions, detect theft of assets, and identify obsolete assets. Besides providing guidance on accounting and record keeping, the policy could include necessary definitions, address important dates, establish standardized forms and reports to be used, discuss procedures for the handling of asset disposition, and any other concerns associated with county property.

**WE RECOMMEND** the County Commission establish a written policy related to the handling and accounting for fixed assets. In addition, all fixed asset purchases and dispositions should be recorded as they occur, purchases should be reconciled to additions on the inventory records, and purchased items should be tagged or identified as county-owned property upon receipt.

**AUDITEE'S RESPONSE**

*We agree and will develop a written policy to address this concern by July 1, 2004.*

|           |                |
|-----------|----------------|
| <b>5.</b> | <b>Sheriff</b> |
|-----------|----------------|

Monthly listings of open items are not prepared and, consequently, open items are not reconciled with cash balances. The cash balance as of December 31, 2002, totaling approximately \$3,300, was approximately \$1,300 more than the open items which were identified.

Preparing accurate listings of open items and agreeing the total with the reconciled cash balance helps ensure sufficient assets exist to cover liabilities and all monies are properly recorded and handled. Any unidentified differences between the cash balance and open items should be investigated and resolved.

**WE RECOMMEND** the Sheriff prepare monthly listings of open items and reconcile the listings to the cash balance and attempt to identify the unidentified balances.

**AUDITEE'S RESPONSE**

*I agree and will ensure monthly open items listings are prepared, effective immediately, and will work to identify the difference in the account.*

## Follow-Up on Prior Audit Findings

HOLT COUNTY, MISSOURI  
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Holt County, Missouri, on the finding in the Management Advisory Report (MAR) of the audit report issued for the two years ended December 31, 1998.

Public Administrator's Procedures

The Public Administrator did not always obtain invoices from one attorney to support his requests for fees.

Recommendation:

The Public Administrator obtain supporting documentation for all disbursements made on behalf of clients.

Status:

Implemented.

## STATISTICAL SECTION

History, Organization, and  
Statistical Information

# HOLT COUNTY, MISSOURI HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION

Organized in 1841, the county of Holt was named after David R. Holt, a member of the state legislature. Holt County is a county-organized, third-class county and is part of the Fourth Judicial Circuit. The county seat is Oregon

Holt County's government is composed of a three-member county commission and separate elected officials performing various tasks. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining approximately 502 miles of county roads and 167 county bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

The county's population was 6,882 in 1980 and 5,351 in 2000. The following chart shows the county's change in assessed valuation since 1980:

|                        | Year Ended December 31, |      |      |      |       |        |
|------------------------|-------------------------|------|------|------|-------|--------|
|                        | 2002                    | 2001 | 2000 | 1999 | 1985* | 1980** |
|                        | (in millions)           |      |      |      |       |        |
| Real estate            | \$ 43.2                 | 42.7 | 41.8 | 41.7 | 35.0  | 23.3   |
| Personal property      | 16.9                    | 17.1 | 15.7 | 15.7 | 8.9   | 9.0    |
| Railroad and utilities | 14.5                    | 13.9 | 13.7 | 13.1 | 8.6   | 7.9    |
| Total                  | \$ 74.6                 | 73.7 | 71.2 | 70.5 | 52.5  | 40.2   |

\* First year of statewide reassessment.

\*\* Prior to 1985, separate assessments were made for merchants' and manufacturers' property. These amounts are included in real estate.

Holt County's property tax rates per \$100 of assessed valuations were as follows:

|                               | Year Ended December 31, |       |       |       |
|-------------------------------|-------------------------|-------|-------|-------|
|                               | 2002                    | 2001  | 2000  | 1999  |
| General Revenue Fund          | \$ .3220                | .3320 | .3270 | .3300 |
| Special Road and Bridge Fund* | .4300                   | .4300 | .4300 | .4300 |
| Johnson Grass                 | .0300                   | .0500 | .0500 | .0500 |

\* The county retains all tax proceeds from areas not within road districts. The county has four road districts that receive all tax collections from property within these districts. Even though the county is allowed to retain one-fifth in the Special Road and Bridge Fund, this is not being done. Two of the road districts also have an additional levy approved by the voters.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and payable by December 31. Taxes paid after December 31 are subject to penalties. The county bills and collects property taxes for itself and most other local governments. Taxes collected were distributed as follows:

|                              | Year Ended February 28 (29), |           |           |           |
|------------------------------|------------------------------|-----------|-----------|-----------|
|                              | 2003                         | 2002      | 2001      | 2000      |
| State of Missouri            | \$ 22,093                    | 21,285    | 21,866    | 20,738    |
| General Revenue Fund         | 244,655                      | 243,209   | 248,460   | 228,191   |
| Special Road and Bridge Fund | 305,465                      | 293,819   | 296,514   | 282,225   |
| Assessment Fund              | 41,580                       | 39,685    | 42,500    | 38,370    |
| Johnson Grass Fund           | 22,750                       | 35,130    | 35,657    | 34,127    |
| Debt Service Fund            | 3,207                        | 3,082     | 3,104     | 3,199     |
| School districts             | 2,836,183                    | 2,682,904 | 2,621,068 | 2,473,056 |
| Special Road Districts Fund  | 22,374                       | 23,118    | 29,073    | 27,246    |
| Ambulance district           | 220,279                      | 212,280   | 216,140   | 205,269   |
| Fire protection district     | 153,526                      | 148,462   | 149,793   | 135,906   |
| Levee Districts Fund         | 59,810                       | 61,365    | 61,541    | 63,520    |
| Drainage Districts           | 200,476                      | 182,350   | 187,531   | 189,697   |
| Surtax                       | 131,998                      | 122,119   | 142,907   | 108,244   |
| Cities                       | 216,168                      | 196,307   | 174,427   | 164,278   |
| County Clerk                 | 817                          | 797       | 904       | 920       |
| Tax Sale Surplus Fund        | 1,807                        | 0         | 0         | 0         |
| Tax Maintenance Fund         | 5,451                        | 0         | 0         | 0         |
| County Employees' Retirement | 21,637                       | 20,344    | 20,968    | 17,221    |
| Commissions and fees:        |                              |           |           |           |
| General Revenue Fund         | 64,975                       | 62,077    | 66,917    | 59,276    |
| County Collector             | 7,129                        | 6,576     | 6,370     | 6,317     |
| Total                        | \$ 4,582,380                 | 4,354,909 | 4,325,740 | 4,057,800 |

Percentages of current taxes collected were as follows:

|                        | Year Ended February 28 (29), |      |       |        |
|------------------------|------------------------------|------|-------|--------|
|                        | 2003                         | 2002 | 2001  | 2000   |
| Real estate            | 95.2                         | 94.8 | 94.4  | 95.0 % |
| Personal property      | 91.7                         | 84.6 | 91.2  | 90.9   |
| Railroad and utilities | 100.0                        | 97.8 | 100.0 | 100.0  |



Holt County also has the following sales taxes; rates are per \$1 of retail sales:

|                      | Rate     | Expiration<br>Date | Required<br>Property<br>Tax<br>Reduction |  |
|----------------------|----------|--------------------|--|--|
| General              | \$ .0050 | None               | 50 %                                     |  |
| Enhanced 9-1-1       | .0025    | None               | None                                     |  |
| Capital improvements | .0050    | 2008               | None                                     |  |
| General              | .0050    | 2005               | None                                     |  |
| Capital improvements | .0050    | 2005               | None                                     |  |

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below.

| Officeholder  | 2003   | 2002   | 2001   | 2000   | 1999   |
|---|--------|--------|--------|--------|--------|
| <b>County-Paid Officials:</b>   |        |        |        |        |        |
| Wayne Voltmer, Presiding Commissioner                                   | \$     | 20,905 | 20,905 | 20,905 | 20,112 |
| L. Wayne Hall, Associate Commissioner                                   |        | 18,904 | 18,904 | 16,570 | 13,600 |
| Donald Holstine, Associate Commissioner                                 |        | 18,904 | 18,904 |        |        |
| Harold Eller, Associate Commissioner                                    |        |        |        | 16,570 | 13,600 |
| Sue Kneale, County Clerk  |        | 30,525 | 30,525 | 30,525 | 29,325 |
| Robert Shepherd, Prosecuting Attorney                                   |        | 35,961 | 35,961 | 35,961 | 34,761 |
| Terry Edwards, Sheriff  |        | 34,050 | 34,050 | 29,625 | 26,625 |
| Anna Lou Doebbeling, County Treasurer (1)                               |        | 21,671 | 21,697 | 21,891 | 20,653 |
| Charles McComb, County Coroner  |        | 7,900  | 7,900  | 5,750  | 5,500  |
| Ed Meng, Public Administrator (2)                                       |        | 27,484 | 23,404 | 21,258 | 19,670 |
| Billy Paul Sharp, County Collector (3),<br>year ended February 28 (29), | 37,821 | 37,267 | 37,062 | 35,809 |        |
| Carla Markt, County Assessor (4), year ended<br>August 31,              |        | 32,060 |        |        |        |
| Margaret Salfrank, County Assessor (4), year ended<br>August 31,        |        |        | 32,060 | 30,860 | 30,860 |

(1) Includes \$215, \$241, \$434, and \$85, respectively, of commissions earned for handling court order levee districts funds.

(2) Includes fees received from probate cases.

(3) Includes \$7,129, \$6,575, \$6,370 and \$6,316, respectively, of commissions earned for collecting city, levee, and drainage district taxes.

(4) Includes \$900 annual compensation received from the state.

**State-Paid Officials:**

|  |        |        |        |        |
|--|--------|--------|--------|--------|
| Janice Radley, Circuit Clerk and<br>Ex Officio Recorder of Deeds | 47,300 | 47,300 | 46,126 | 44,292 |
| William S. Richards, Associate Circuit Judge                     | 96,000 | 96,000 | 97,382 | 87,235 |